Abstract of the Disclosure

A method of building a customer retention model for commercial passenger airlines industry is described. The major contributions of this invention are: By carefully and thoroughly investigating the background and the current deregulated, competitive environment of the airline industry, a competitive market approach of defining retention for this industry is proposed in detail. A new Customer Value Metric Model (CVMM) is proposed and described. A variety of calculating methods is presented. These methods will provide airline industry more accurate and balanced measures of their high valued customers. Data elements and data sources, both internal and external, are discussed and identified. These data elements are also ranked by their potential use to the retention model. A detailed, step-by-step data analysis and model building process is described, which serves as a guideline to any analysts, project managers or other personnel who may be involved in such an engagement.